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House Appropriations Committee Subcommittee on Energy and Water Development

Fiscal Year 2018 Department of Energy Funding for Residential Energy Efficiency Programs

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As the leaders in the residential energy efficiency industry, the Home Performance Coalition, E4TheFuture, Efficiency First, and the Building Performance Institute respectfully urge your support for funding to advance programs at the Department of Energy that invest in residential energy efficiency and whole-house initiatives, as outlined in this testimony, in the Fiscal Year (FY) 2018 Energy and Water Development Appropriations bill. On behalf of our stakeholders and members, we thank you for this opportunity to express our support for these important programs and initiatives that pay for themselves many times over and are a wise and modest investment that help Americans save money, improve energy security, and live and work in safe and comfortable buildings.

The Home Performance Coalition (HPC) is a national non-profit 501c3 organization that works with industry leaders in the home performance and weatherization industries to advance energy- efficient, healthy and safe homes retrofit policies, programs and standards through research, education, training and outreach.

E4TheFuture is non-profit 501c3 organization which collaborates with industry stakeholders to provide expert policy solutions, education, and advocacy to advance residential clean energy and energy efficiency solutions on the federal, state and local level.

Efficiency First (EF) is a national trade association with members across the country that unites the home performance workforce, building product manufacturers and related businesses and organizations in an effort to advance cost-effective energy efficiency solutions for residential customers to create jobs, boost the economy, and fight rising energy costs.

The Building Performance Institute (BPI) is the nation's premier building performance credentialing, quality assurance, and standards setting organization. Approved by the American National Standards Institute, Inc. (ANSI) as an accredited developer of American National Standards and as a certifying body for personnel credentials, BPI develops technical standards and professional certifications that help raise the bar in home performance contracting.

Energy efficiency is more than just a way to reduce energy waste and save consumers and businesses money on their monthly utility bills - it is by far the largest sector in the U.S. clean economy. A recent report from E4TheFuture, entitled "Energy Efficiency Jobs in America," found that three out of every four clean energy jobs is an energy efficiency job, and as of 2015 the energy efficiency industry employed 1.9 million Americans. The report also found that most energy efficiency jobs are created by small businesses - of the 165,000 U.S. companies engaged in energy efficiency, 70% of them have 10 or fewer employees.

A significant portion of the energy efficiency jobs in the U.S. are in the residential sector, and forty percent of them involve the installation of energy efficiency products. These are the contractors – the "boots on the ground" - installing energy efficiency products and technologies and working to reduce energy waste in homes and buildings across the country. These jobs are, by their very nature, inherently local and cannot be exported.

In addition to economic and jobs benefits, residential energy efficiency also plays a key role in public health. A U.S. Department of Energy report on the Weatherization Assistance

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¹ https://e4thefuture.org/wp-content/uploads/2016/12/EnergyEfficiencyJobsInAmerica_FINAL.pdf

Program² found that home improvements focused on energy efficiency can improve indoor air quality, which reduces respiratory illness and sick days, and improves mental alertness and productivity for both children and adults. A recent report from E4TheFuture, entitled "Occupant Health Benefits of Residential Energy Efficiency," which reviews existing research on the link between resident health benefits and energy efficiency upgrades, also found that residential energy efficiency upgrades can produce significant improvements in asthma symptoms and help improve overall physical and mental health.

HPC, E4TheFuture, Efficiency First, and BPI offer their strong support for DOE's residential efficiency programs and initiatives, as they are vital to the continued growth of the energy efficiency industry across the country. Public programs that support the energy efficiency industry are vital as it continues to develop and, as evidenced by a grassroots letter⁴ to House and Senate Energy and Water Appropriations subcommittee leadership, there is tremendous public support for these programs. The grassroots letter includes signatures from 2,463 energy efficiency professionals and supporters from 49 states plus the District of Columbia.⁵

The following programs at the Department of Energy, in the Office of Energy Efficiency and Renewable Energy and the Weatherization & Intergovernmental Programs Office, deserve the support of the American taxpayer as these programs are proven to provide a significant return on investment. When funded they will continue to provide energy cost relief to households, support American-based industry and American jobs, ameliorate issues with the aging electrical grid, and support national security goals. We respectfully urge at least level funding of these programs in FY 2018.

² https://energy.gov/eere/wipo/downloads/weatherization-assistance-program-national-evaluation

³ https://e4thefuture.org/occupant-health-benefits-of-residential-energy-efficiency/

https://e4thefuture.org/wp-content/uploads/2017/04/Letter-to-Congressional-Appropriations.pdf

⁵ Only Hawaii was not represented on the letter.

\$200.5 M for Building Technologies Office (BTO), which develops critical technologies, tools, and solutions that help U.S. consumers and businesses achieve peak efficiency performance in new and existing homes and buildings across all sectors of our economy. Programs like Home Performance with Energy Star, which advances contractor engagement in high efficiency equipment installations, and Home Energy Score, which helps ensure that energy efficiency is valued in real estate transactions – are just two examples of crucial residential programs within BTO. The Residential Building Integration program within BTO has the capacity to fundamentally transform homebuilding and greatly improve the energy efficiency in the 115 million existing residential buildings throughout this country. Therefore, we recommend that the funding be focused on research, development and the widespread deployment of whole-house energy efficiency. BTO's programs can significantly improve the energy efficiency in the residential sector through its partnerships with the thousands of small businesses in this sector, the construction trades, equipment, smart grid technology and systems suppliers, integrators and state and local governments. We encourage the direct engagement with residential contractors and businesses, which are crucial to the success of buildings programs. We respectfully urge Congress to fund Residential Building Integration at \$23 million.

\$50 M for State Energy Program (SEP). We urge the Committee to maintain level funding of \$50 million for SEP, which supports state and local efforts to develop and implement cost-effective energy efficiency projects and leverage private sector innovations. Over the past 30 years, SEP has proven to be the critical link in helping states improve efficiency in hospitals and schools, establish business incubators and job training programs, and establish relationships with energy service companies and small businesses to implement cost-effective energy efficiency programs across their state. The Oak Ridge National Laboratory found that every

dollar invested in SEP by the federal government yields over \$10 leveraged for energy-related economic development.

\$225 M for Weatherization Assistance Program (WAP). We ask the Committee to maintain at least level funding of \$225 million for WAP, which helps low-income and rural families, seniors, and individuals with disabilities make lasting energy efficiency improvements to their homes. WAP has a proven track record of creating new jobs and contributing to the economy through the program's large supply chain of vendors, suppliers, and manufacturers. Moreover, a recent peer-reviewed study from the Oak Ridge National Laboratory found that the program is cost-effective at even conservative levels of evaluation. Each dollar that goes toward weatherization assistance yields at least \$2.30 in benefits, and by some estimates as much as \$4.10 to the home and society. Since its creation, WAP has helped improve the energy efficiency of homes for over seven million low-income and rural Americans, who are particularly susceptible to volatile energy prices and higher utility bills.

The Home Performance Coalition, E4TheFuture, Efficiency First, and the Building Performance Institute believe that energy efficiency is vital to our economic growth and international competitiveness. The very small investments in the programs discussed above pay for themselves many times over and are a wise and modest investment that help Americans save money, improve energy security, and live and work in safe and comfortable buildings. Again, thank you for providing this opportunity to submit testimony. We look forward to working with you.

Contact Information

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